

(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

Registrant's telephone number, including area code (954) 769 - 5900

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

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, par value \$.001 per share

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

Yes No

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

Yes No

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

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (Sec.229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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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 Accelerated filer
Non-accelerated filer (do not check if a smaller reporting company) Smaller reporting company

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

Yes No

Aggregate market value of the voting Common Stock held by non-affiliates of the registrant as of the close of business as of the last business day of the registrant's most recently completed second fiscal quarter, June 30, 2011: \$138,560.*

*Includes voting stock held by third parties, which may be deemed to be beneficially owned by affiliates, but for which such affiliates have disclaimed beneficial ownership.

The number of shares outstanding of the Registrant's Common Stock, \$.001 par value (the "Common Stock") as of March 7, 2012 was 441,484,838.

theglobe.com, inc.

FORM 10-K

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FORWARD LOOKING STATEMENTS

This Form 10-K 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;

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 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-K 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-K 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-K.

PART I

ITEM 1. BUSINESS

DESCRIPTION OF BUSINESS

theglobe.com, inc. (the “Company” or “theglobe”) was incorporated on May 1, 1995 (inception) and commenced operations on that date. Originally, theglobe was an online community with registered members and users in the United State and abroad. As more fully discussed in the section below entitled “Sale of Tralliance and Share Issuance,” on September 29, 2008, theglobe consummated the sale of the business and substantially all of the assets of its Tralliance Corporation subsidiary (“Tralliance”) to Tralliance Registry Management Company, LLC (“Tralliance Registry Management”), 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 last 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. At the present time, theglobe has no plans to acquire or start-up any new businesses.

As part of the consideration for the sale of its Tralliance business, theglobe received earn-out rights from Tralliance Registry Management (as described below, the “Earn-Out”), which rights constitute the only source income for theglobe as a shell company. As a shell company, theglobe’s operating expenses have consisted primarily of, and are expected to continue to consist primarily of, customary public company expenses, including personnel, accounting, financial reporting, legal, audit and other related public company costs.

As of December 31, 2011, as reflected in our accompanying Consolidated Balance Sheet, our current liabilities significantly exceed our total assets. Additionally, we received a report from our independent registered public accountants, relating to our December 31, 2011 audited financial statements, containing an explanatory paragraph regarding our ability to continue as a going concern. It is the Company’s preference to avoid filing for protection under the U.S. Bankruptcy Code. However, unless the Company is successful in restructuring or settling its current liabilities and/or raising additional debt or equity securities, it may not be able to continue to operate as a going concern for any significant length of time in the future. Notwithstanding the above, theglobe currently intends to continue as a public company and make all the requisite filings under the Securities and Exchange Act of 1934.

SALE OF TRALLIANCE AND SHARE ISSUANCE

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 The Registry Management Company, LLC ("Registry Management"), (the "Purchase Transaction"). Tralliance Registry Management and Registry Management are entities directly or indirectly controlled by Michael S. Egan, our Chairman and Chief Executive Officer and principal stockholder, and each of our two remaining executive officers and Board members, Edward A. Cespedes, our President, and Robin Segaul Lebowitz, our Vice President of Finance, own a minority interest in Registry Management. After giving effect to the closing of the Purchase Transaction, and the issuance of the Shares thereunder, Mr. Egan beneficially owns approximately 76% of the Company's Common Stock at December 31, 2011.

In connection with the Purchase Transaction, the Company received (i) consideration totaling approximately \$6.4 million which consisted of the surrender to theglobe and satisfaction of secured demand convertible promissory notes issued by theglobe and held by Registry Management in the aggregate principal amount of \$4.25 million, together with all accrued and unpaid interest of approximately \$1.3 million through the date of closing of the Purchase Transaction and satisfaction of approximately \$870 thousand in outstanding rent and miscellaneous fees due and unpaid to the Registry Management through the date of closing of the Purchase Transaction, and (ii) an earn-out 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 15, 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 Agreement, increasing by \$25 thousand in each subsequent year (pro-rated for the final year of the Earn-out).

Commensurate with the closing of the Purchase Transaction on September 29, 2008, the Company also entered into Termination Agreements with each of its executive officers (each a "Termination Agreement"). Pursuant to the Termination Agreements, the Company's employment agreements with each of Michael S. Egan, Edward A. Cespedes and Robin Segaul Lebowitz, the Chief Executive Officer, President and Vice President of Finance, all dated August 1, 2003, respectively, were terminated. Notwithstanding the termination of these employment agreements, each of Messrs. Egan, Cespedes and Ms. Lebowitz remains as an officer and director of the Company.

In connection with the closing of the Purchase Transaction, the Company entered into a Master Services Agreement ("Services Agreement") with Dancing Bear Investments, Inc. ("Dancing Bear"), an entity which is controlled by Mr. Egan. Under the terms of the Services Agreement, for a fee of \$20 thousand per month (\$240 thousand per annum), Dancing Bear provides 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. The Services Agreement had an initial term of one year and was renewed for additional one year terms during 2009, 2010 and 2011. Services under the Services Agreement include, without limitation, accounting, assistance with financial reporting, accounts payable, treasury/financial planning, record retention and secretarial and investor relations functions.

OUR FORMER INTERNET SERVICES BUSINESS

On May 9, 2005, we exercised a purchase option and acquired all of the outstanding capital stock of Tralliance. From the date of acquisition until the sale of the Tralliance business to Tralliance Registry Management on September 29, 2008, theglobe operated Tralliance as its Internet Services line of business. The following discussion of the Tralliance business and its contractual relationships relates to the period prior to such sale.

Tralliance was incorporated in 2002 to develop products and services to enhance online commerce between consumers and the travel and tourism industries, including administration of the “.travel” top-level domain. On May 5, 2005, the Internet Corporation for Assigned Names and Numbers (“ICANN”) and Tralliance entered into a contract whereby Tralliance was designated as the exclusive registry for the “.travel” top-level domain (the “Registry”) for an initial period of ten years. Renewal of the ICANN contract beyond the initial ten year term was then conditioned upon the negotiation of renewal terms reasonably acceptable to ICANN. Additionally, ICANN had the right to immediately terminate the contract in the event of a material and fundamental breach of the contract by the Registry and failure to cure such breach within thirty days of notice.

The establishment of the “.travel” top-level domain enables businesses, organizations, governmental agencies and other enterprises that operate within the travel and tourism industry to establish a unique Internet domain name from which to communicate and conduct commerce. An Internet domain name is made up of a top-level domain and a second-level domain. For example, in the domain name “companyX.travel”, “companyX” is the second-level domain and “.travel” is the top-level domain. The Registry for the “.travel” top-level domain is responsible for maintaining the master database of all second-level “.travel” domain names and their corresponding Internet Protocol (“IP”) addresses.

To facilitate the “.travel” domain name registration process, the Registry entered into contracts with a number of registrars. The registrars acted as intermediaries between the Registry and customers (referred to as registrants) seeking to register “.travel” domain names. The registrars handled the billing and collection of registration fees, customer service and technical management of the registration database. Registrants were able to register “.travel” domain names for terms of one year (minimum) up to 10 years (maximum). For standard name registration transactions, registrars retained a portion of the registration fee collected by them as their compensation and remitted the remainder, \$80 per domain name per year, of the registration fee to the Registry.

In order to register a “.travel” domain name, a registrant first had to be verified as being eligible (“authenticated”) by virtue of being a valid participant in the travel industry. Additionally, eligibility data was required to be updated and reviewed annually, subsequent to initial registration. Once authenticated, a registrant was only permitted to register “.travel” domain names that were associated with the registrant’s business or organization. The Registry entered into contracts with a number of travel associations and other independent organizations (“authentication providers”) whereby, in consideration for the payment of fixed and/or variable fees, all required authentication procedures were performed by such authentication providers. The Registry had also outsourced various other registry operations, database maintenance and policy formulation functions to certain other independent businesses or organizations in consideration for the payment of certain fixed and/or variable fees.

Commensurate with the closing of the sale of the Tralliance business to Tralliance Registry Management on September 29, 2008, all existing contracts relevant to the operation of the “.travel” registry, including the ICANN contract and contracts with entities who performed registry operations, authentication and registrar functions, were assigned by Tralliance to Tralliance Registry Management. As discussed earlier in this Report, subsequent to the sale of its Tralliance business, the Company’s sole interest in the “.travel” registry relates to the Earn-out payable from Tralliance Registry Management to the Company based upon net revenues derived from “.travel” names registered by Tralliance Registry Management from September 29, 2008 through May 5, 2015.

OUR DISCONTINUED OPERATIONS

COMPUTER GAMES BUSINESS

In February 2000, the Company entered the computer games business by acquiring Computer Games Magazine, a print publication for personal computer (“PC”) gamers; CGOnline, the online counterpart to Computer Games Magazine; and Chips & Bits, an e-commerce games distribution business. Historically, content of Computer Games Magazine and CGOnline focused primarily on the PC games market niche.

From 2001 through 2006, based upon a trend of decreasing net revenue, the profitability of our Computer Games business also decreased. Also, due in part to unsuccessful attempts to diversify and expand its business beyond games and into other areas of the entertainment industry, the Computer Games business incurred significant operating losses during 2004, 2005 and 2006.

In March 2007, management and the Board of Directors of the Company made the decision to cease all activities related to its Computer Games businesses, including discontinuing the operations of its magazine publications, game distribution business and related websites. The Company’s decision to shutdown its Computer Games businesses was based primarily on the historical losses sustained by these businesses during 2004 through 2006 and management’s

expectations of continued future losses. As of December 31, 2011, all elements of its computer games business shutdown plan have been completed by the Company.

VOIP TELEPHONY SERVICES BUSINESS

In November 2002 and May 2003, the Company acquired certain Voice over Internet Protocol (“VoIP”) assets and businesses and entered the VoIP telephony market place. During 2003, the Company launched its first suite of consumer and business level VoIP services. The Company launched its browser-based VoIP product during 2004. These services allowed customers to communicate using VoIP technology for dramatically reduced pricing compared to traditional telephony networks. The services also offered traditional telephony features such as voicemail, caller ID, call forwarding, and call waiting for no additional cost to the customer, as well as incremental services that were not then supported by the public switched telephone network (“PSTN”) like the ability to use numbers remotely and voicemail to email services.

From the initial launch of its VoIP services in 2003 through 2005, the Company continued to expand its VoIP network, which was comprised of switching hardware and software, services, billing and inventory systems, and telecommunication carrier contractual relationships. During this same period of time, the Company attempted to market and distribute its VoIP retail products through various direct and indirect sales channels. None of the marketing and sales programs implemented during these years were successful in generating a significant number of customers or revenue. As a result, the capacity of the Company’s VoIP network greatly exceeded its usage, and the VoIP telephony services business incurred substantial operating losses during this time period. During 2006, the Company developed and implemented a plan to reconfigure, phase out and eliminate certain components of its VoIP network in order to reduce network excess capacity and operating costs.

In March 2007, management and the Board of Directors 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 the business during 2003 through 2006, management’s expectations of continued losses for the foreseeable future and estimates of the amount of capital required to attempt to successfully monetize its business. As of December 31, 2011, all significant elements of its VoIP telephony services business shutdown plan have been completed by the Company, except for the resolution of certain vendor disputes and the payment of remaining outstanding vendor payables, aggregating approximately \$1.6 million at December 31, 2011.

EMPLOYEES

As of March 1, 2012, we had no employees other than our executive officers. Each of our executive officers are officers or directors of other companies, certain of which have ongoing business relationships with the Company. Our executive officers currently devote very limited time to our business and receive no compensation from us.

The business of the Company is currently managed by Dancing Bear Investments, Inc., an entity which is controlled by our Chairman and Chief Executive Officer, under a Master Services Agreement entered into on September 29, 2008. Services under the Master Services Agreement include, without limitation, assistance with accounting, financial reporting, treasury/financial planning, record retention and secretarial and investor relations functions.

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.

Over the last several years, 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 (See Note 5, "Debt" in the accompanying Notes to Consolidated

Financial Statements for further details) and total proceeds of approximately \$1.069 million received during 2009, 2010 and 2011 under an Earn-out Agreement with an entity also controlled by Mr. Egan, as well as the forbearance of its creditors.

At December 31, 2011, the Company had a net working capital deficit of approximately \$3.2 million. Such working capital deficit included (i) a total of approximately \$673 thousand in principal and accrued interest owed under the aforementioned Revolving Loan Agreement; (ii) a total of approximately \$291 thousand in management service fees owed under a Master Services Agreement to an entity controlled by Mr. Egan, and (iii) an aggregate of approximately \$2.2 million in unsecured accounts payable and accrued expenses owed to vendors and other non-related third parties (of which approximately \$1.6 million relates to liabilities of our VoIP telephony service discontinued business). Approximately \$1.2 million of the aforementioned non-related party unsecured liabilities have been disputed by the Company. These disputed liabilities relate primarily to telecommunications network service fees charged by several former vendors of the Company's discontinued VoIP telephony services business during the period from 2004 to 2007 (see Note 3, "Discontinued Operations" in the accompanying Notes to Consolidated Financial Statements). These charges have been disputed by the Company primarily due to such items as incorrect quantities, rates, service dates, regulatory fees/charges, late fees and contract termination charges. theglobe believes that its ability to continue as a going concern for any significant length of time in the future will be heavily dependent, among other things, on the continued forbearance of Mr. Egan and related entities in making demand for payment for amounts outstanding under the Revolving Loan Agreement and the Master Services Agreement, and its ability to prevail and avoid making any payments with respect to such disputed vendor charges and/or to negotiate favorable settlements (including deeply discounted payment and/or payment term concessions) with the aforementioned creditors.

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 \$173 thousand as of December 31, 2011), 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 December 31, 2011.

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.

As a shell company, management believes that theglobe will most likely continue to incur net losses for the foreseeable future. However, assuming that no significant unplanned costs are incurred and the Company is successful in minimizing legal costs and defending itself against the allegations made in the Complaint filed against itself by the Distribution Trustee of the SendTec Distribution Trust (see Note 8. Litigation in the accompanying Notes to Consolidated Financial Statements), management believes that theglobe's future losses will be limited. Further, in the event that Registry Management is successful in substantially increasing net revenue derived from ".travel" name registrations (and as the result maximizing theglobe's Earn-out revenue) in the future, theglobe's prospects for achieving profitability will be enhanced. To date the Company has earned and received only the minimum payments pursuant to the Earn-out.

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, 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. Such capital will be needed both to (i) fund its expected limited future net losses and (ii) repay the \$673 thousand of secured

debt and related accrued interest due under the Revolving Loan Agreement and the \$291 thousand of management services fees due under the Master Services Agreement, and a portion of the \$2.2 million unsecured indebtedness (assuming theglobe is successful in favorably resolving and settling certain disputed and non-disputed vendor charges related to such unsecured indebtedness). Any such capital would likely come from Mr. Egan, or affiliates of Mr. Egan, as the Company currently has no access to credit facilities and had traditionally relied upon borrowings from related parties to meet short-term liquidity needs. Any such capital raised would likely result in very substantial dilution in the number of outstanding shares of the Company's Common Stock.

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, in order to continue as a going concern in the near term. Given theglobe's current financial condition and the state of the current United States capital markets and economy, it has no current intent to seek to acquire, or start, any other businesses.

WE MAY NOT BE SUCCESSFUL IN SETTling DISPUTED VENDOR CHARGES.

Our balance sheet at December 31, 2011 includes certain material estimated liabilities related to disputed vendor charges incurred primarily as the result of the failure and subsequent shutdown of our discontinued VoIP telephony services business. These disputed liabilities relate mainly to telecommunications network service fees charged by several former vendors during the period from 2004 to 2007. These charges have been disputed by the Company due to such items as incorrect quantities, rates, service dates, regulatory fees/charges, late fees and contract termination charges. Although we are seeking to resolve and settle these disputed charges for amounts substantially less than recorded amounts, there can be no assurances that we will be successful in this regard. Additionally, the legal and administrative costs of resolving these disputed charges may be expensive. An 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 to operate as a going concern. See Note 3, "Discontinued Operations" in the Notes to Consolidated Financial Statements for future details.

OUR NET OPERATING LOSS CARRYFORWARDS MAY BE SUBSTANTIALLY LIMITED.

As of December 31, 2011, we had net operating loss carryforwards which may be potentially available for U.S. tax purposes of approximately \$166 million. These carryforwards expire through 2031. 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, the entity that 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, Labigroup Holdings 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 beneficially own such amount as of December 31, 2011. 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 exemption from registration afforded by Rule 144 may make it more difficult for us to sell equity securities in the future.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 2. PROPERTIES

The Company does not own or lease any property. We currently use the offices of Dancing Bear Investments, Inc., an entity controlled by our Chairman, at no cost to us except for amounts included within the management services fees charged to us by Dancing Bear Investments, Inc. under the Master Services Agreement entered into on September 29, 2008.

ITEM 3. LEGAL PROCEEDINGS

On October 14, 2011, the Company received a summons in the adversary proceeding dated October 11, 2011 (the “Summons”) from the U.S. Bankruptcy Court, Middle District of Florida (the “Court”). The Summons required the Company to submit a motion or answer to a complaint that was attached to the Summons (the “Complaint”) to the Court by November 10, 2011. The Complaint was filed against the Company by the Distribution Trustee of the Distribution Trust created under the Confirmed Plan of Reorganization of SendTec, Inc. (formerly RelationServe Media, Inc.) (“Distribution Trust”) on June 15, 2011.

SendTec, Inc. (“SendTec”) was a direct response marketing services and technology business that was originally purchased by the Company on September 1, 2004. On October 31, 2005 all of the business and substantially all of the assets of SendTec (including the name “SendTec”) were sold to a subsidiary of RelationServe Media, Inc. (together “RelationServe”) (the “Purchase Transaction”) for a purchase price of \$39.9 million.

The Complaint alleges, among other things, that RelationServe was insolvent, or rendered insolvent, as a result of the Purchase Transaction. The Complaint further alleges that the Purchase Transaction was made with the intent to hinder, delay or defraud creditors of RelationServe and that it received less than equivalent value for the purchase price paid to the Company for the SendTec business and assets. The Complaint alleges that the Purchase Transaction was a fraudulent transfer under Florida Statutes and that it is avoidable under Florida Statutes and federal bankruptcy law. The Complaint seeks that all monies received by the Company in connection with the Purchase Transaction be recovered for the benefit of the Distribution Trust.

The Company has filed a motion to dismiss the lawsuit on several grounds and in the alternative or a more definite statement. The Court has set a hearing on the motion to dismiss for April 2012.

The Company intends to vigorously defend itself against the allegations made in the Complaint. However, we have very limited cash resources and the legal costs that may be incurred in the defense and resolution of this matter alone could adversely affect our ability to continue as a going concern.

On and after August 3, 2001 six putative shareholder class action lawsuits were filed against the Company, certain of its current and former officers and directors (the “Individual Defendants”), and several investment banks that were the underwriters of the Company’s initial public offering and secondary offering. The lawsuits were filed in the United States District Court for the Southern District of New York. A Consolidated Amended Complaint, which is now the operative complaint, was filed in the Southern District of New York on April 19, 2002.

The lawsuit purports to be a class action filed on behalf of purchasers of the stock of the Company during the period from November 12, 1998 through December 6, 2000. The purported class action alleges violations of Sections 11 and 15 of the Securities Act of 1933 (the "1933 Act") and Sections 10(b), Rule 10b-5 and 20(a) of the Securities Exchange Act of 1934 (the "1934 Act"). Plaintiffs allege that the underwriter defendants agreed to allocate stock in the Company's initial public offering and its secondary offering to certain investors in exchange for excessive and undisclosed commissions and agreements by those investors to make additional purchases of stock in the aftermarket at pre-determined prices. Plaintiffs allege that the Prospectuses for the Company's initial public offering and its secondary offering were false and misleading and in violation of the securities laws because it did not disclose these arrangements. The action seeks damages in an unspecified amount. On October 9, 2002, the Court dismissed the Individual Defendants from the case without prejudice. This dismissal disposed of the Section 15 and 20(a) control person claims without prejudice.

The action is being coordinated with approximately 300 other nearly identical actions filed against other companies. The parties in the coordinated cases, including ours, reached a settlement. The insurers for the issuer defendants in the coordinated cases will make the settlement payment on behalf of the issuers, including theglobe. On October 5, 2009, the Court granted final approval of the settlement. The settlement approval was appealed to the United States Court of Appeals for the Second Circuit. One appeal was dismissed and the second appeal was remanded to the district court to determine if the appellant is a class member with standing to appeal. The District Court ruled that the appellant lacks standing to appeal. The appellant appealed the District Court's decision to the Second Circuit. Subsequently, appellant entered into a settlement agreement with counsel for the plaintiff class pursuant to which he dismissed his appeal with prejudice. As a result, the settlement among the parties in the IPO Litigation is final and the case against theglobe.com and the Individual Defendants is concluded.

The Company is currently a party to certain other claims and disputes arising in the ordinary course of business, including certain disputes related to vendor charges incurred by its discontinued VoIP telephony services business. The Company believes that it has recorded adequate accruals on its balance sheet to cover such disputed charges, totaling approximately \$1.2 million, and is seeking to resolve and settle such disputed charges for amounts substantially less than recorded amounts. An adverse outcome in any of these matters, however, could materially and adversely affect our financial position and prospects, utilizing all or a significant portion of our limited cash resources, and adversely affect our ability to continue as a going concern.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

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

MARKET INFORMATION

The shares of our Common Stock trade in the over-the-counter market on what is commonly referred to as the electronic bulletin board, under the symbol "TGLO.OB". The following table sets forth the range of high and low bid prices of our Common Stock for the periods indicated as reported by the over-the-counter market (the electronic bulletin board). The quotations below reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not represent actual transactions (prices are rounded to the nearest cent):

| | 2011 | | 2010 | |
|----------------|--------|--------|--------|--------|
| | High | Low | High | Low |
| Fourth Quarter | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Third Quarter | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Second Quarter | \$0.00 | \$0.00 | \$0.01 | \$0.00 |
| First Quarter | \$0.01 | \$0.00 | \$0.01 | \$0.00 |

HOLDERS OF COMMON STOCK

We had approximately 622 holders of record of Common Stock as of March 7, 2012. This does not reflect persons or entities that hold Common Stock in nominee or "street" name through various brokerage firms.

DIVIDENDS

We have not paid any cash dividends on our Common Stock since our inception and do not intend to pay dividends in the foreseeable future. Our board of directors will determine if we pay any future dividends.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS AS OF DECEMBER 31, 2011

| 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 | 6,962,500 | \$ 0.26 | 4,956,720 |
| Equity Compensation plans not approved by security holders | 6,540,000 | \$ 0.07 | 4,525,141 |
| Total | 13,502,500 | \$ 0.17 | 9,481,861 |

Equity compensation plans not approved by security holders consist of the following:

1,750,000 shares of Common Stock of theglobe.com, inc., to be issued to Edward A. Cespedes upon exercise of stock options pursuant to the Non-Qualified Stock Option Agreement dated August 12, 2002 at an exercise price of \$0.02 per share. These stock options vested immediately and have a life of ten years from date of grant.

2,500,000 shares of Common Stock of theglobe.com, inc., to be issued to Michael S. Egan upon exercise of stock options pursuant to the Non-Qualified Stock Option Agreement dated August 12, 2002 at an exercise price of \$0.02 per share. These stock options vested immediately and have a life of ten years from date of grant.

500,000 shares of Common Stock of theglobe.com, inc., to be issued to Robin S. Lebowitz upon exercise of stock options pursuant to the Non-Qualified Stock Option Agreement dated August 12, 2002 at an exercise price of \$0.02 per share. These stock options vested immediately and have a life of ten years from date of grant.

In September 2003, the Company established the 2003 Sales Representative Stock Option Plan (the “2003 Plan”) and in August 2004 the Company established the 2004 Stock Incentive Plan (the “2004 Plan”). A total of 1,790,000 shares of Common Stock of theglobe.com, inc. are issuable to a former employee upon exercise of stock options granted under the 2003 and 2004 Plans. See Note 6, “Stock Option Plans” in the accompanying Notes to Consolidated Financial Statements for a description of the material features of the 2003 and 2004 Plans.

STOCK PERFORMANCE GRAPH

As a “smaller reporting company,” as defined by Rule 12b-2 of the Exchange Act, we have elected scaled disclosure reporting and therefore are not required to provide the stock performance graph.

RECENT SALES OF UNREGISTERED SECURITIES

(a) Unregistered Sales of Equity Securities.

There were no unregistered sales of equity securities during the year ended December 31, 2011.

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

Not applicable.

ITEM 6. SELECTED FINANCIAL DATA

As a “smaller reporting company,” as defined by Rule 12b-2 of the Exchange Act, we have elected scaled disclosure reporting and therefore are not required to provide the information required by this Item.

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

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 income for theglobe as a shell company. theglobe's operating expenses as a shell company consist primarily of customary public company expenses, including personnel, 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 computer games and VoIP telephony services businesses. Results of operations for the computer games and VoIP telephony services businesses have been reported separately as "Discontinued Operations" in the accompanying consolidated statements of operations for all periods presented. There are no discontinued operations assets included in the accompanying consolidated balance sheets. Remaining liabilities of the VoIP telephony services business have been included in the caption, "Liabilities of Discontinued Operations" in the accompanying consolidated balance sheets.

BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS; GOING CONCERN

We received a report from our independent registered public accountants, relating to our December 31, 2011 audited consolidated 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 limited 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 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.

YEAR ENDED DECEMBER 31, 2011 COMPARED TO YEAR ENDED DECEMBER 31, 2010

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 the years ended December 31, 2011 and 2010 was \$0.

GENERAL AND ADMINISTRATIVE. General and administrative expenses include only those customary public company expenses, including outside legal and audit fees, insurance and other related public company costs. General and administrative expenses totaled approximately \$105 thousand for the year ended December 31, 2011, as compared to approximately \$113 thousand for the year ended December 31, 2010.

RELATED PARTY TRANSACTIONS. Related party transaction expense totaled \$240 thousand for both the years ended December 31, 2011 and 2010 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 years ended December 31, 2011 and 2010 was \$50 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. Related party other income for the year ended December 31, 2011 was approximately \$356 thousand as compared to \$331 thousand for the year ended December 31, 2010.

INCOME TAXES. The provision for income taxes for the year ended December 31, 2010 was a benefit of approximately \$13 thousand related to a federal income tax refund received during this period.

DISCONTINUED OPERATIONS

A loss from discontinued operations of \$523 was reported for the year ended December 31, 2011 as compared to a loss of \$1,752 reported for the year ended December 31, 2010, and is summarized as follows:

| | Year Ended December 31, | |
|---|-------------------------|-------------|
| | 2011 | 2010 |
| Loss from discontinued operations, net of tax: | | |
| Computer Games | \$ — | \$ (1,268) |
| VoIP Telephony Services | (523) | (484) |
| Total Loss from discontinued operations, net of tax | \$ (523) | \$ (1,752) |

LIQUIDITY AND CAPITAL RESOURCES

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.

Over the last several years, 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 (See Note 5, "Debt" in the accompanying Notes to Consolidated Financial Statements for further details) and total proceeds of approximately \$1.069 million received during 2009, 2010 and 2011 under an Earn-out Agreement with an entity also controlled by Mr. Egan, as well as the forbearance of its creditors.

At December 31, 2011, the Company had a net working capital deficit of approximately \$3.2 million. Such working capital deficit included (i) a total of approximately \$673 thousand in principal and accrued interest owed under the aforementioned Revolving Loan Agreement; (ii) a total of approximately \$291 thousand in management service fees owed under a Master Services Agreement to an entity controlled by Mr. Egan, and (iii) an aggregate of approximately \$2.2 million in unsecured accounts payable and accrued expenses owed to vendors and other non-related third parties (of which approximately \$1.6 million relates to liabilities of our VoIP telephony service discontinued business). Approximately \$1.2 million of the aforementioned non-related party unsecured liabilities have been disputed by the Company. These disputed liabilities relate primarily to telecommunications network service fees charged by several former vendors of the Company's discontinued VoIP telephony services business during the period from 2004 to 2007 (see Note 3, "Discontinued Operations" in the accompanying Notes to Consolidated Financial Statements). These charges have been disputed by the Company primarily due to such items as incorrect quantities, rates, service dates, regulatory fees/charges, late fees and contract termination charges. theglobe believes that its ability to continue as a going concern for any significant length of time in the future will be heavily dependent, among other things, on the continued forbearance of Mr. Egan and related entities in making demand for payment for amounts outstanding under the Revolving Loan Agreement and the Master Services Agreement, and its ability to prevail and avoid making any payments with respect to such disputed vendor charges and/or to negotiate favorable settlements (including deeply discounted payment and/or payment term concessions) with the aforementioned creditors.

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 \$173 thousand as of December 31, 2011), 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 December 31, 2011.

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.

As a shell company, management believes that theglobe will most likely continue to incur net losses for the foreseeable future. However, assuming that no significant unplanned costs are incurred and the Company is successful in minimizing legal costs and defending itself against the allegations made in the Complaint filed against itself by the Distribution Trustee of the SendTec Distribution Trust (see Note 8. Litigation in the accompanying Notes to Consolidated Financial Statements), management believes that theglobe's future losses will be limited. Further, in the event that Registry Management is successful in substantially increasing net revenue derived from ".travel" name registrations (and as the result maximizing theglobe's Earn-out revenue) in the future, theglobe's prospects for achieving profitability will be enhanced. To date the Company has earned and received only the minimum payments pursuant to the Earn-out.

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, 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. Such capital will be needed both to (i) fund its expected limited future net losses and (ii) repay the \$673 thousand of secured debt and related accrued interest due under the Revolving Loan Agreement and the \$291 thousand of management services fees due under the Master Services Agreement, and a portion of the \$2.2 million unsecured indebtedness (assuming theglobe is successful in favorably resolving and settling certain disputed and non-disputed vendor charges related to such unsecured indebtedness). Any such capital would likely come from Mr. Egan, or affiliates of Mr. Egan, as the Company currently has no access to credit facilities and had traditionally relied upon borrowings from related parties to meet short-term liquidity needs. Any such capital raised would likely result in very substantial dilution in the number of outstanding shares of the Company's Common Stock.

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, in order to continue as a going concern in the near term. Given theglobe's current financial condition and the state of the current United States capital markets and economy, it has no current intent to seek to acquire, or start, any other businesses.

CASH FLOW ITEMS

YEAR ENDED DECEMBER 31, 2011 COMPARED TO YEAR ENDED DECEMBER 31, 2010

As of December 31, 2011, theglobe had \$1,354 in cash and cash equivalents as compared to \$2,689 as of December 31, 2010. Net cash flows provided from operating activities of continuing operations totaled approximately \$59 thousand for the year ended December 31, 2011 as compared to net cash flows of approximately \$63 thousand provided for the year ended December 31, 2010.

Approximately \$61 thousand in net cash flows were used in operating activities of discontinued operations during the year ended December 31, 2011 as compared to a net cash flow usage of approximately \$62 thousand during the year ended December 31, 2010. Substantially all of the cash flow usage during 2011 and 2010 related to the payment of old VoIP telephony service business legal bills.

CONTRACTUAL OBLIGATIONS

As a “smaller reporting company,” as defined by Rule 12b-2 of the Exchange Act, we have elected scaled disclosure reporting and therefore are not required to provide the table required by (a)(5) of this Item.

OFF-BALANCE SHEET ARRANGEMENTS

As of December 31, 2011, we did not have any material off-balance sheet arrangements that have or are reasonably likely to have a material effect on our current or future financial condition, revenues or expenses, results of operations, liquidity, or capital resources.

EFFECTS OF INFLATION

Management believes that inflation has not had a significant effect on our results of operations during 2011 and 2010.

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. At December 31, 2011, a significant portion of our net liabilities of discontinued operations relate to charges that have been disputed by the Company and for which estimates have been required. Additionally, certain liabilities of our continuing operations, including federal and state income taxes payable, have required the use of estimates. 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. These include valuation of accounts receivable from related party, and valuations 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 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a "smaller reporting company," as defined by Rule 12b-2 of the Exchange Act, we have elected scaled disclosure reporting and therefore are not required to provide the information required by this Item.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA ¹

CONSOLIDATED FINANCIAL STATEMENTS

THEGLOBE.COM, INC. AND SUBSIDIARIES

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¹ As a “smaller reporting company” as defined by Rule 12b-2 of the Exchange Act, we have elected scaled disclosure reporting and therefore are not required to provide “supplementary data” otherwise required by Item 8.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders

theglobe.com, inc. and Subsidiaries

We have audited the accompanying consolidated balance sheets of theglobe.com, inc. and Subsidiaries as of December 31, 2011 and 2010, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the years in the two-year period ended December 31, 2011. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of theglobe.com, inc. and Subsidiaries as of December 31, 2011 and 2010, and the consolidated results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2011, in conformity with accounting principles generally accepted in the United States of America.

The accompanying 2011 consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the consolidated financial statements, the Company has historically suffered significant net losses, has an accumulated deficit of approximately \$298 million and has sold its last remaining operating business. These factors raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Marcum LLP

Fort Lauderdale, Florida

March 28, 2012

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THEGLOBE.COM, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

| | December 31, 2011 | December 31, 2010 |
|--|----------------------|----------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash | \$1,354 | \$2,689 |
| Prepaid expenses | 4,972 | 6,315 |
| Total current assets | 6,326 | 9,004 |
| LIABILITIES AND STOCKHOLDERS' DEFICIT | | |
| Current Liabilities: | | |
| Accounts payable due to related party | \$291,070 | \$238,320 |
| Accounts payable | 178,184 | 178,084 |
| Accrued expenses and other current liabilities | 443,532 | 449,877 |
| Accrued interest due to related party | 173,233 | 123,233 |
| Notes payable due to related party | 500,000 | 500,000 |
| Liabilities of discontinued operations | 1,609,556 | 1,669,556 |
| Total current liabilities | 3,195,575 | 3,159,070 |
| Stockholders' Deficit: | | |
| Common stock, \$0.001 par value; 500,000,000 shares authorized; 441,484,838 shares issued at December 31, 2011 and December 31, 2010 | 441,485 | 441,485 |
| Additional paid in capital | 294,301,845 | 294,301,845 |
| Accumulated deficit | (297,932,579) | (297,893,396) |
| Total stockholders' deficit | (3,189,249) | (3,150,066) |
| Total liabilities and stockholders' deficit | \$6,326 | \$9,004 |

See notes to consolidated financial statements.

THEGLOBE.COM, INC. AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF OPERATIONS**

| | Year Ended December 31, | |
|---|-------------------------|-------------|
| | 2011 | 2010 |
| Net Revenue | \$— | \$— |
| Operating Expenses: | | |
| General and administrative | 104,928 | 113,319 |
| Related party transactions | 240,000 | 240,000 |
| Total Operating Expenses | 344,928 | 353,319 |
| Operating Loss from Continuing Operations | (344,928) | (353,319) |
| Other Income (Expense), net: | | |
| Related party interest expense | (50,000) | (50,000) |
| Interest income (expense), net | — | (640) |
| Related party other income | 356,250 | 331,250 |
| Other income | 18 | — |
| | 306,268 | 280,610 |
| Loss from Continuing Operations Before Income Tax Benefit | (38,660) | (72,709) |
| Income Tax Benefit | — | (13,294) |
| Loss from Continuing Operations | (38,660) | (59,415) |
| Loss Income from Discontinued Operations, net of tax | (523) | (1,752) |
| Net Loss | \$(39,183) | \$(61,167) |
| Net Loss Per Share: | | |
| Basic and Diluted: | | |
| Continuing Operations | \$— | \$— |
| Discontinued Operations | \$— | \$— |
| Net Loss Per Share | \$— | \$— |
| Weighted Average Common Shares Outstanding | 441,484,838 | 441,484,838 |

See notes to consolidated financial statements.

THEGLOBE.COM, INC. AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)**

| | Common Stock Shares | Amount | Additional Paid-in Capital | Accumulated Deficit | Total |
|-------------------------------|------------------------|-----------|----------------------------------|------------------------|---------------|
| Balance, December 31, 2009 | 441,484,838 | \$441,485 | \$294,301,845 | \$(297,832,229) | \$(3,088,899) |
| Year Ended December 31, 2010: | | | | | |
| Net loss | — | — | — | (61,167) | (61,167) |
| Year Ended December 31, 2010: | 441,484,838 | 441,485 | 294,301,845 | (297,893,396) | (3,150,066) |
| Year Ended December 31, 2011: | | | | | |
| Net Loss | — | — | — | (39,183) | (39,183) |
| Balance, December 31, 2011 | 441,484,838 | 441,485 | 294,301,845 | (297,932,579) | (3,189,249) |

See notes to consolidated financial statements.

THEGLOBE.COM, INC. AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF CASH FLOWS**

| | Year ended December 31, | |
|--|-------------------------|--------------|
| | 2011 | 2010 |
| Cash Flows from Operating Activities: | | |
| Net loss | \$ (39,183) | \$ (61,167) |
| Loss from discontinued operations | 523 | 1,752 |
| Net loss from continuing operations | (38,660) | (59,415) |
| Adjustments to reconcile net loss from continuing operations to net cash flows provided by (used in) operating activities: | | |
| Changes in operating assets and liabilities: | | |
| Prepaid and other current assets | 1,343 | 657 |
| Accounts payable to related party | 52,750 | 118,320 |
| Accounts payable | 100 | (6,395) |
| Accrued expenses and other current liabilities | (6,345) | 15 |
| Accrued interest due to related party | 50,000 | 50,000 |
| Deferred income – related party | — | (40,000) |
| Net cash flows provided by operating activities of continuing operations | 59,188 | 63,182 |
| Net cash flows used in operating activities of discontinued operations | (60,523) | (61,752) |
| Net cash flows provided by (used in) operating activities | (1,335) | 1,430 |
| Net change in cash & cash equivalents | (1,335) | 1,430 |
| Cash & cash equivalents at beginning of period | 2,689 | 1,259 |
| Cash & cash equivalents at end of period | \$ 1,354 | \$ 2,689 |

See notes to consolidated financial statements.

THEGLOBE.COM, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2011 and 2010

(1) ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF THE COMPANY

theglobe.com, inc. (the “Company” or “theglobe”) was incorporated on May 1, 1995 (inception) and commenced operations on that date. Originally, theglobe 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. 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 (i) cease all activities related to its computer games businesses, including discontinuing the operations of its magazine publications, games distribution business and related websites; and (ii) 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 (the “Purchase Transaction”). 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 consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

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 to estimates of collectability of accounts receivable from related party, valuations of accounts payable and accrued expenses and other factors. At December 31, 2011 and 2010, a significant portion of our liabilities of discontinued operations relate to charges that have been disputed by the Company and for which estimates have been required. Actual results could differ from those estimates. In addition, 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 (See Note 2, “Liquidity and Going Concern Considerations”).

PREPAID EXPENSES

Prepaid expenses at December 31, 2011 and 2010 consist primarily of prepaid insurance, which is amortized to expense over the policy periods.

FAIR VALUE OF FINANCIAL INSTRUMENTS

FASB Accounting Standards Codification Topic on Fair Value Measurements and Disclosure (“ASC 820”) requires that the Company disclose estimated fair values of its financial instruments. The carrying amount of certain of the Company's financial instruments, including cash, accounts payable and accrued expenses, are a reasonable estimate of their fair values at December 31, 2011 and 2010, respectively, due to their short maturities.

RELATED PARTY OTHER INCOME

Commensurate with the sale of its former Tralliance business on September 29, 2008, the Company entered into an Earn-out Agreement with Tralliance Registry Management, the purchaser of Tralliance's business. Under the terms of the Earn-out Agreement, Tralliance Registry Management agreed to pay the Company an earn-out equal to 10% 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 amount payable under the Earn-out Agreement was \$300,000 in the first year and increases by \$25,000 in each subsequent year (prorated for the final year of the Earn-out). The minimum Earn-out amounts due for each year are payable to the Company on a quarterly basis. Incremental Earn-out payments are to be determined and paid to the Company on an annual basis to the extent that 10% of Tralliance Registry Management's "net revenue" (as defined) exceeds the minimum Earn-out amount payable for such year. For the first three annual Earn-out periods that were completed on September 28, 2009, 2010 and 2011, respectively, no incremental Earn-out payments were due or paid to the Company.

Due to various factors related to the collectability of Earn-out payments from Tralliance Registry Management, including the 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), no portion of the Earn-out was included in the purchase price for the Purchase Transaction. Instead, the Company has chosen to recognize income related to the Earn-out on a prospective basis as and to the extent that future Earn-out payments are collected. Since inception of the Earn-out Agreement through December 31, 2011, a total of \$1,068,750 in minimum Earn-out payments have been received by the Company from Tralliance Registry Management and have been recorded as related party other income in the Consolidated Statements of Operations for all applicable periods therein.

STOCK-BASED COMPENSATION

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. The portion of the value that is ultimately expected to vest is recognized as expense over the service period.

INCOME TAXES

The Company accounts for income taxes using the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases for operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the consolidated results of operations in the period that the tax change occurs. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

NET INCOME PER COMMON 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 income or loss calculation for all periods presented. Such potentially dilutive securities and common stock equivalents consisted of the following for the periods ended:

| | December 31, | |
|--|--------------|------------|
| | 2011 | 2010 |
| Options to purchase common stock | 13,502,500 | 13,542,500 |
| Common shares issuable upon exercise of Warrants | 2,250,000 | 2,250,000 |
| Total | 15,752,500 | 15,792,500 |

RECENTLY ISSUED 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.

Over the last several years, 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 (See Note 5, "Debt" for further details) and total proceeds of approximately \$1,069,000 received during 2009, 2010 and 2011 under an Earn-out Agreement with an entity also controlled by Mr. Egan, as well as the forbearance of its creditors.

At December 31, 2011, the Company had a net working capital deficit of approximately \$3,200,000. Such working capital deficit included (i) a total of approximately \$673,000 in principal and accrued interest owed under the aforementioned Revolving Loan Agreement; (ii) a total of approximately \$291,000 in management service fees owed under a Master Services Agreement to an entity controlled by Mr. Egan, and (iii) an aggregate of approximately \$2,200,000 in unsecured accounts payable and accrued expenses owed to vendors and other non-related third parties (of which approximately \$1,600,000 relates to liabilities of our VoIP telephony service discontinued business). Approximately \$1,200,000 of the aforementioned non-related party unsecured liabilities have been disputed by the

Company. These disputed liabilities relate primarily to telecommunications network service fees charged by several former vendors of the Company's discontinued VoIP telephony services business during the period from 2004 to 2007 (see Note 3, "Discontinued Operations" in the accompanying Notes to Consolidated Financial Statements). These charges have been disputed by the Company primarily due to such items as incorrect quantities, rates, service dates, regulatory fees/charges, late fees and contract termination charges. theglobe believes that its ability to continue as a going concern for any significant length of time in the future will be heavily dependent, among other things, on the continued forbearance of Mr. Egan and related entities in making demand for payment for amounts outstanding under the Revolving Loan Agreement and the Master Services Agreement, and its ability to prevail and avoid making any payments with respect to such disputed vendor charges and/or to negotiate favorable settlements (including deeply discounted payment and/or payment term concessions) with the aforementioned creditors.

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 \$173,000 as of December 31, 2011), 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 December 31, 2011.

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

As a shell company, management believes that theglobe will most likely continue to incur net losses for the foreseeable future. However, assuming that no significant unplanned costs are incurred and the Company is successful in minimizing legal costs and defending itself against the allegations made in the Complaint filed against itself by the Distribution Trustee of the SendTec Distribution Trust (see Note 8. Litigation), management believes that theglobe's future losses will be limited. Further, in the event that Registry Management is successful in substantially increasing net revenue derived from ".travel" name registrations (and as the result maximizing theglobe's Earn-out revenue) in the future, theglobe's prospects for achieving profitability will be enhanced. To date the Company has earned and received only the minimum payments pursuant to the Earn-out.

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, 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. Such capital will be needed both to (i) fund its expected limited future net losses and (ii) repay the \$673,000 of secured debt and related accrued interest due under the Revolving Loan Agreement and the \$291,000 of management services fees due under the Master Services Agreement, and a portion of the \$2,200,000 unsecured indebtedness (assuming theglobe is successful in favorably resolving and settling certain disputed and non-disputed vendor charges related to such unsecured indebtedness). Any such capital would likely come from Mr. Egan, or affiliates of Mr. Egan, as the Company currently has no access to credit facilities and had traditionally relied upon borrowings from related parties to meet short-term liquidity needs. Any such capital raised would likely result in very substantial dilution in the number of outstanding shares of the Company's Common Stock.

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, in order to continue as a going concern in the near term. Given theglobe's current financial condition and the state of the current United States capital markets and economy, it has no current intent to seek to acquire, or start, any other businesses.

(3) DISCONTINUED OPERATIONS

In March 2007, management and the Board of Directors of the Company made the decision to cease all activities related to its Computer Games businesses, including discontinuing the operations of its magazine publications, games distribution business and related websites. The Company's decision to shutdown its computer games businesses was based primarily on the historical losses sustained by these businesses during the recent past and management's expectations of continued future losses. As of December 31, 2011, all significant elements of its computer games business shutdown plan have been completed by the Company.

In addition, 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 the business during the past several years, management's expectations of continued losses for the foreseeable future and estimates of the amount of capital required to attempt to successfully monetize its business. As of December 31, 2011, all significant elements of its VoIP telephony services business shutdown plan have been completed by the Company, except for the resolution of certain vendor disputes and the payment of remaining outstanding vendor payables.

Results of operations for the Computer Games and VoIP telephony services businesses have been reported separately as "Discontinued Operations" in the accompanying consolidated statements of operations for all periods presented. There are no discontinued operations assets included in the accompanying consolidated balance sheets. The remaining liabilities of the VoIP telephony services business have been included in the caption, "Liabilities of Discontinued Operations" in the accompanying consolidated balance sheets for all applicable periods presented.

The following is a summary of the liabilities of the discontinued operations of the VoIP telephony services business as included in the accompanying condensed consolidated balance sheets. Approximately \$1.0 million of such liabilities at December 31, 2011 and 2010 relate to charges that have been disputed by the Company and for which estimates have been required.

| | December 31, 2011 | December 31, 2010 |
|--|----------------------|----------------------|
| Net liabilities of discontinued operations: | | |
| Computer Games | \$ — | \$ — |
| VoIP Telephony Services | 1,609,556 | 1,669,556 |
| Total net liabilities of discontinued operations | \$ 1,609,556 | \$ 1,669,556 |

Summarized results of operations financial information for the discontinued operations of our Computer Games, VoIP telephony services and Marketing Services businesses was as follows:

| | Year Ended December 31 | |
|---|------------------------|-------------|
| | 2011 | 2010 |
| Loss from discontinued operations, net of tax: | | |
| Computer Games | \$ — | \$ (1,268) |
| VoIP Telephony Services | (523) | (484) |
| Total Loss from discontinued operations, net of tax | \$ (523) | \$ (1,752) |

(4) ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consisted of the following:

| | December 31, | |
|-----------------------------------|--------------|-----------|
| | 2011 | 2010 |
| Accrued registry transaction fees | \$176,628 | \$176,628 |
| Other | 266,904 | 273,249 |
| | \$443,532 | \$449,877 |

(5) DEBT

Debt consists of notes payable due to a related party, as summarized below:

| | December 31, 2011 | December 31, 2010 |
|---|-------------------|-------------------|
| 2008 Revolving Loan Notes due to a related party; due on demand | \$ 500,000 | \$ 500,000 |

On June 6, 2008, the Company and its subsidiaries, as guarantors, 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”). In connection with its entry into the Credit Line, the Company borrowed \$100,000 under the Credit Line. Subsequently, during the remainder of 2008, the Company made additional borrowings totaling the final \$400,000 available under the Credit Line. As of December 31, 2011 and 2010, outstanding principal of \$500,000 and accrued interest of \$173,233 and \$123,233, respectively, related to this Credit Line have been reflected as current liabilities in our Consolidated Balance Sheet. Related Party Interest Expense related to the Credit Line of \$50,000 was recognized in our Consolidated Statement of Operations during both the years ended December 31, 2011 and 2010, respectively.

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On May 7, 2009, the Company entered into a Note and Modification Agreement with Dancing Bear Investments, Inc. which amended the repayment terms of the Revolving Loan Agreement. Under the terms of the Note Modification Agreement, from and after June 6, 2009 (the original maturity date of the Credit Line), all amounts due under the Revolving Loan Agreement, including principal and accrued interest, will be due and payable on the earlier of (i) five (5) business days following any demand for payment, which demand can be made by Dancing Bear at any time; or (ii) upon the occurrence of an event of default, as defined in the Revolving Loan Agreement. All funds borrowed under the Credit Line may be prepaid in whole or in part, without penalty, at any time during the term of the Credit Line. The Company currently has no ability to repay this loan should Dancing Bear demand payment.

Dancing Bear is controlled by Michael S. Egan, our Chairman and Chief Executive Officer. In connection with the Credit Line, the Company executed and delivered a promissory note to Dancing Bear in the amount of \$500,000 bearing interest at ten percent (10%) per annum on the principal amount then outstanding. The Company's subsidiaries unconditionally guaranteed the Credit Line by entering into an Unconditional Guaranty Agreement. All amounts outstanding from time to time under the Credit Line are secured by a lien on all assets of the Company and its subsidiaries pursuant to a Security Agreement with Dancing Bear.

(6) STOCK OPTION PLANS

During 1995, the Company established the 1995 Stock Option Plan, which was amended (the "Amended Plan") by the Board of Directors in December 1996 and August 1997. Under the Amended Plan, a total of 1,582,000 common shares were reserved for issuance. Any incentive stock options granted under the Amended Plan were required to be granted at the fair market value of the Company's Common Stock at the date the option was issued.

Under the Company's 1998 Stock Option Plan (the "1998 Plan") a total of 3,400,000 common shares were reserved for issuance and provides for the grant of "incentive stock options" intended to qualify under Section 422 of the Code and stock options which do not so qualify. The granting of incentive stock options is subject to limitation as set forth in the 1998 Plan. Directors, officers, employees and consultants of the Company and its subsidiaries are eligible to receive grants under the 1998 Plan.

In January 2000, the Board adopted the 2000 Broad Based Employee Stock Option Plan (the "Broad Based Plan"). Under the Broad Based Plan, 850,000 shares of Common Stock were reserved for issuance. The intention of the Broad Based Plan is that at least 50% of the options granted will be to individuals who are not managers or officers of the globe. In April 2000, the Company's 2000 Stock Option Plan (the "2000 Plan") was adopted by the Board of Directors and approved by the stockholders of the Company. The 2000 Plan authorized the issuance of 500,000 shares of Common Stock, subject to adjustment as provided in the 2000 Plan. The Broad Based Plan and the 2000 Plan provide for the grant of "incentive stock options" intended to qualify under Section 422 of the Code and stock options which do not so qualify. The granting of incentive stock options is subject to limitation as set forth in the Broad Based Plan and the 2000 Plan. Directors, officers, employees and consultants of the Company and its subsidiaries are eligible

to receive grants under the Broad Based Plan and the 2000 Plan.

In September 2003, the Board adopted the 2003 Sales Representative Stock Option Plan (the "2003 Plan") which authorized the issuance of up to 1,000,000 non-qualified stock options to purchase the Company's Common Stock to sales representatives who are not employed by the Company or its subsidiaries. In January 2004, the Board amended the 2003 Plan to include certain employees and consultants of the Company.

The Company's Board of Directors adopted a new benefit plan entitled the 2004 Stock Incentive Plan (the "2004 Plan") on August 31, 2004. An aggregate of 7,500,000 shares of the Company's Common Stock may be issued pursuant to the 2004 Plan. Employees, consultants, and prospective employees and consultants of theglobe and its affiliates and non-employee directors of theglobe are eligible for grants of non-qualified stock options, stock appreciation rights, restricted stock awards, performance awards and other stock-based awards under the 2004 Plan.

On December 1, 2004, based upon approval of the stockholders of the Company, the 2000 Plan was amended and restated to (i) increase the number of shares reserved for issuance under the 2000 Plan by 7,500,000 shares to a total of 8,000,000 shares and (ii) to remove a previous plan provision that limited the number of options that may be awarded to any one individual.

In accordance with the provisions of the Company's stock option plans, nonqualified stock options may be granted to officers, directors, other employees, consultants and advisors of the Company. The option price for nonqualified stock options shall be at least 85% of the fair market value of the Company's Common Stock. In general, options granted under the Company's stock option plans expire after a ten-year period and in certain circumstances options, under the 1995 and 1998 plans, are subject to the acceleration of vesting. 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. A committee selected by the Company's Board of Directors has the authority to approve optionees and the terms of the stock options granted, including the option price and the vesting terms. Stock option awards are generally granted with an exercise price equal to the market price of theglobe's Common Stock at the date of grant with 25% of the stock option grant vesting immediately and the remainder vesting equally over the next twelve quarters.

No stock options were granted by the Company or exercised during the years ended December 31, 2011 and 2010.

Stock option activity during the years ended December 31, 2011 and December 31, 2010 was as follows:

| | Number of Options | Weighted Average Exercise Price | Weighted Average Remaining Contractual Term | Aggregate Intrinsic Value |
|--|----------------------|--|---|------------------------------|
| Outstanding at December 31, 2010 | 13,542,500 | \$ 0.17 | | |
| Granted | — | — | | |
| Exercised | — | — | | |
| Expired | (40,000) | 0.12 | | |
| Outstanding at December 31, 2011 | 13,502,500 | \$ 0.17 | 2.3 years | \$ — |
| Exercisable at December 31, 2011 | 13,502,500 | \$ 0.17 | 2.3 years | \$ — |
| Options available at December 31, 2011 | 9,481,861 | | | |
| | Number of Options | Weighted Average Exercise Price | Weighted Average Remaining Contractual Term | Aggregate Intrinsic Value |
| Outstanding at December 31, 2009 | 13,596,580 | \$ 0.18 | | |
| Granted | — | — | | |
| Exercised | — | — | | |
| Expired | (54,080) | 4.22 | | |
| Outstanding at December 31, 2010 | 13,542,500 | \$ 0.17 | 3.3 years | \$ — |
| Exercisable at December 31, 2010 | 13,542,500 | \$ 0.17 | 3.3 years | \$ — |
| Options available at December 31, 2010 | 9,441,861 | | | |

No employee stock compensation expense was charged to operating expenses during the years ended December 31, 2011 or 2010. At December 31, 2011, there was no unrecognized compensation expense related to unvested stock options.

(7) INCOME TAXES

The provision (benefit) for income taxes is summarized as follows:

| | Year Ended December 31, | | |
|-------------------------|-------------------------|------------|---|
| | 2011 | 2010 | |
| Continuing operations | \$ — | \$ (13,294 |) |
| Discontinued operations | — | — | |
| | \$ — | \$ (13,294 |) |

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The provision (benefit) for income taxes attributable to continuing operations was as follows:

| | Year Ended December 31, | |
|----------------------------|-------------------------|--------------|
| | 2011 | 2010 |
| Current : | | |
| Federal | \$ — | \$ (13,294) |
| State | — | — |
| | \$ — | \$ (13,294) |
| Deferred: | | |
| Federal | \$ — | \$ — |
| State | — | — |
| Provision for income taxes | \$ — | \$ (13,294) |

The following is a reconciliation of the federal income tax provision at the federal statutory rate to the Company's tax provision attributable to continuing operations:

| | Year Ended December 31, | | | |
|--|-------------------------|---|--------|---|
| | 2011 | | 2010 | |
| Statutory federal income tax rate | 34.00 | % | 34.00 | % |
| Change in tax rate | — | | (14.40 |) |
| Nondeductible items | — | | (.15 |) |
| State income taxes, net of federal benefit | 3.96 | | 3.94 | |
| Change in valuation allowance | (37.96 |) | (2.54 |) |
| AMT tax credit adjustment | — | | — | |
| Other | — | | (2.57 |) |
| Effective tax rate | 0.00 | % | 18.28 | % |

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at December 31, 2011 and 2010 are presented below.

| | December 31, | December 31, |
|------------------------------------|---------------|---------------|
| | 2011 | 2010 |
| Deferred tax assets (liabilities): | | |
| Net operating loss carryforwards | \$ 62,914,000 | \$ 62,888,000 |
| Issuance of warrants | 1,447,000 | 1,447,000 |
| AMT and other tax credits | 352,000 | 352,000 |
| Accrued expenses | 833,000 | 836,000 |
| Depreciation and amortization | 27,000 | 35,000 |
| Other | 12,000 | 12,000 |
| Total gross deferred tax assets | 65,585,000 | 65,570,000 |
| Less: valuation allowance | (65,585,000) | (65,570,000) |

Total net deferred tax assets \$— \$—

Because of the Company's lack of earnings history, the net deferred tax assets have been fully offset by a 100% valuation allowance. The valuation allowance for net deferred tax assets was \$65,585,000 and \$65,570,000 as of December 31, 2011 and 2010, respectively. The net change in the total valuation allowance was \$15,000 and \$2,000 for the years ended December 31, 2011 and 2010, respectively.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets, which consist of tax benefits primarily from net operating loss carryforwards, is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Of the total valuation allowance of \$65,585,000 as of December 31, 2011, subsequently recognized tax benefits, if any, in the amount of \$6,400,000 will be applied directly to contributed capital.

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At December 31, 2011, the Company had net operating loss carryforwards available for U.S. tax purposes of approximately \$166,000,000. These carryforwards expire through 2031. Under Section 382 of the Internal Revenue Code of 1986, as amended (the "Code"), the utilization of net operating loss carryforwards may be limited under the change in stock ownership rules of the Code. Due to various significant changes in our ownership interests, as defined in the Internal Revenue Code of 1986, as amended, the Company has substantially limited the availability of its net operating loss carryforwards. There can be no assurance that the Company will be able to avail itself of any net operating loss carryforwards.

(8) LITIGATION

On October 14, 2011, the Company received a summons in the adversary proceeding dated October 11, 2011 (the "Summons") from the U.S. Bankruptcy Court, Middle District of Florida (the "Court"). The Summons required the Company to submit a motion or answer to a complaint that was attached to the Summons (the "Complaint") to the Court by November 10, 2011. The Complaint was filed against the Company by the Distribution Trustee of the Distribution Trust created under the Confirmed Plan of Reorganization of SendTec, Inc. (formerly RelationServe Media, Inc.) ("SendTec Distribution Trust") on June 15, 2011.

SendTec, Inc. ("SendTec") was a direct response marketing services and technology business that was originally purchased by the Company on September 1, 2004. On October 31, 2005 all of the business and substantially all of the assets of SendTec (including the name "SendTec") were sold to a subsidiary of RelationServe Media, Inc. (together "RelationServe") (the "Purchase Transaction") for a purchase price of \$39.9 million.

The Complaint alleges, among other things, that RelationServe was insolvent, or rendered insolvent, as a result of the Purchase Transaction. The Complaint further alleges that the Purchase Transaction was made with the intent to hinder, delay or defraud creditors of RelationServe and that it received less than equivalent value for the purchase price paid to the Company for the SendTec business and assets. The Complaint alleges that the Purchase Transaction was a fraudulent transfer under Florida Statutes and that it is avoidable under Florida Statutes and federal bankruptcy law. The Complaint seeks that all monies received by the Company in connection with the Purchase Transaction be recovered for the benefit of the SendTec Distribution Trust.

The Company has filed a motion to dismiss the lawsuit on several grounds and in the alternative for a more definite statement. The Court has set a hearing on the motion to dismiss for April 2012.

The Company intends to vigorously defend itself against the allegations made in the Complaint. However, we have very limited cash resources and the legal costs that may be incurred in the defense and resolution of this matter alone could adversely affect our ability to continue as a going concern.

On and after August 3, 2001 six putative shareholder class action lawsuits were filed against the Company, certain of its current and former officers and directors (the “Individual Defendants”), and several investment banks that were the underwriters of the Company’s initial public offering and secondary offering. The lawsuits were filed in the United States District Court for the Southern District of New York. A Consolidated Amended Complaint, which is now the operative complaint, was filed in the Southern District of New York on April 19, 2002.

The lawsuit purports to be a class action filed on behalf of purchasers of the stock of the Company during the period from November 12, 1998 through December 6, 2000. The purported class action alleges violations of Sections 11 and 15 of the Securities Act of 1933 (the “1933 Act”) and Sections 10(b), Rule 10b-5 and 20(a) of the Securities Exchange Act of 1934 (the “1934 Act”). Plaintiffs allege that the underwriter defendants agreed to allocate stock in the Company’s initial public offering and its secondary offering to certain investors in exchange for excessive and undisclosed commissions and agreements by those investors to make additional purchases of stock in the aftermarket at pre-determined prices. Plaintiffs allege that the Prospectuses for the Company’s initial public offering and its secondary offering were false and misleading and in violation of the securities laws because it did not disclose these arrangements. The action seeks damages in an unspecified amount. On October 9, 2002, the Court dismissed the Individual Defendants from the case without prejudice. This dismissal disposed of the Section 15 and 20(a) control person claims without prejudice.

The action is being coordinated with approximately 300 other nearly identical actions filed against other companies. The parties in the coordinated cases, including ours, reached a settlement. The insurers for the issuer defendants in the coordinated cases will make the settlement payment on behalf of the issuers, including theglobe. On October 5, 2009, the Court granted final approval of the settlement. The settlement approval was appealed to the United States Court of Appeals for the Second Circuit. One appeal was dismissed and the second appeal was remanded to the district court to determine if the appellant is a class member with standing to appeal. The District Court ruled that the appellant lacks standing to appeal. The appellant appealed the District Court’s decision to the Second Circuit. Subsequently, appellant entered into a settlement agreement with counsel for the plaintiff class pursuant to which he dismissed his appeal with prejudice. As a result, the settlement among the parties in the IPO Litigation is final and the case against theglobe.com and the Individual Defendants is concluded.

The Company is currently a party to certain other claims and disputes arising in the ordinary course of business, including certain disputes related to vendor charges incurred by its discontinued VoIP telephony services business. The Company believes that it has recorded adequate accruals on its balance sheet to cover such disputed charges, totaling approximately \$1.2 million, and is seeking to resolve and settle such disputed charges for amounts substantially less than recorded amounts. An adverse outcome in any of these matters, however, could materially and adversely affect our financial position and prospects, utilizing all or a significant portion of our limited cash resources, and adversely affect our ability to continue as a going concern (see Note 2. Liquidity and Going Concern Considerations).

(9) RELATED PARTY TRANSACTIONS

Certain directors of the Company also serve as officers and directors of and own controlling interests in Dancing Bear Investments, Inc., E&C Capital Partners LLLP, E&C Capital Partners II, LLLP, The Registry Management Company, LLC, Tralliance Registry Management Company, LLC, Certified Vacations Group, Inc., Labigroup Holdings, LLC and License Holdings, LLC. Dancing Bear Investments, Inc., E&C Capital Partners, LLLP and E&C Capital Partners II, LLLP are stockholders of the Company and are entities controlled by our Chairman.

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 Company LLC (“Tralliance Registry Management”) and (ii) issued 229,000,000 shares of its Common Stock (the “Shares”) to The Registry Management Company, LLC (“Registry Management”) (the “Purchase Transaction”). Tralliance Registry Management and Registry Management are entities directly or indirectly controlled by Michael S. Egan, our Chairman and Chief Executive Officer and principal stockholder, and each of our two remaining executive officers and Board members, Edward A. Cespedes, our President, and Robin Segaul Lebowitz, our Vice President of Finance, own a minority interest in Registry Management. After giving effect to the closing of the Purchase Transaction and the issuance of the Shares thereunder, Mr. Egan beneficially owns approximately 76% of the Company’s Common Stock at December 31, 2011.

In connection with the Purchase Transaction, the Company received (i) consideration totaling approximately \$6,409,800 and consisting of the surrender to theglobe and satisfaction of secured demand convertible promissory notes issued by theglobe and held by Registry Management in the aggregate principal amount of \$4,250,000, together with all accrued and unpaid interest of approximately \$1,290,300 through the date of closing of the Purchase Transaction and satisfaction of approximately \$869,500 in outstanding rent and miscellaneous fees due and unpaid to the Registry Management through the date of closing of the Purchase Transaction, and (ii) an earn-out 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 Agreement, and increases by \$25,000 in each subsequent year (pro-rated for the final year of the Earn-out). During 2011 and 2010, the Company received Earn-out installment payments totaling \$356,250 and \$331,250, respectively, from Tralliance Registry Management, which have been recorded as Related Party Other Income in our Consolidated Statements of Operations for such years.

In connection with the closing of the Purchase Transaction, the Company also entered into a Master Services Agreement (“Services Agreement”) with Dancing Bear Investments, Inc. (“Dancing Bear”), an entity which is controlled by Mr. Egan. Under the terms of the Services Agreement, for a fee of \$20,000 per month (\$240,000 per annum), Dancing Bear provides 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. The Services Agreement had an initial term of one year and was renewed for additional one year terms during 2009, 2010 and 2011. The Services Agreement may be terminated under certain events. Services under the Services Agreement include, without limitation, accounting, assistance with financial reporting, accounts payable, treasury/financial planning, record retention and secretarial and

investor relations functions. Related party transactions expense related to the Master Services Agreement of \$240,000 was recognized in our Consolidated Statement of Operations during both the years ended December 31, 2011 and 2010. A total of \$181,250 and \$121,680 related to the Services Agreement was paid by the Company to Dancing Bear in 2011 and 2010, respectively. A balance of \$291,070 related to the Services Agreement is owed by the Company to Dancing Bear and is accrued on our Balance Sheet at December 31, 2011.

As more fully discussed in Note 5 "Debt," on June 6, 2008, the Company and its subsidiaries, as guarantors, entered into a Revolving Loan Agreement with Dancing Bear, pursuant to which Dancing Bear may loan up to \$500,000 to the Company on a revolving basis (the "Credit Line"). In connection with its entry into the Credit Line, the Company borrowed \$100,000 under the Credit Line. Subsequently, during the remainder of 2008, the Company made additional borrowings totaling \$400,000 under the Credit Line. As of December 31, 2011 and 2010, outstanding principal of \$500,000 and accrued interest of \$173,233 and \$123,233, respectively, related to the Credit Line have been reflected as current liabilities in our Consolidated Balance Sheet. Related Party Interest Expense related to the Credit Line of \$50,000 was recognized in our Consolidated Statement of Operations during both the years ended December 31, 2011 and 2010.

(10) 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 these financial statements were issued. There were none.

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure 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 December 31, 2011. 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.

Management’s Annual Report on Internal Control and Financial Reporting

The Company’s management, under the supervision of the Chief Executive Officer and the Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a - 15(f) and 15d - 15(f) under the Exchange Act). Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. Internal control over financial reporting includes policies and procedures that:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial
- (ii) statements in accordance with GAAP, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with existing policies or procedures may deteriorate.

Under the supervision of the Chief Executive Officer and the Chief Financial Officer, the Company's management conducted an evaluation of the Company's internal control over financial reporting as of December 31, 2011 in accordance with the interpretive guidance published in the SEC's "Commission Guidance Regarding Management's Report on Internal Control Over Financial Reporting Under Section 13(a) or 15(d) of the Securities Exchange Act of 1934" dated and effective on June 27, 2007. Such evaluation was based on the framework and criteria established in "Internal Control - Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based upon this evaluation and management's assessment, management has concluded that internal control over financial reporting was effective as of December 31, 2011. Because we are a smaller public company, we are not required to provide an independent public accountant's attestation report covering our assessment of internal control over financial reporting.

Changes in Internal Control over Financial Reporting

Our management, with the participation of our Chief Executive Officer, have evaluated any change in our internal control over financial reporting that occurred during the quarter ended December 31, 2011 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.

ITEM 9B. OTHER INFORMATION

None.

PART III**ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE**

The following table sets forth the names, ages and current positions with the Company held by our Directors and Executive Officers. There is no immediate family relationship between or among any of the Directors or Executive Officers, and the Company is not aware of any arrangement or understanding between any Director or Executive Officer and any other person pursuant to which he was elected to his current position. Each of the following persons are Directors of the Company.

| NAME | AGE | POSITION OR OFFICE WITH THE COMPANY | DIRECTOR SINCE |
|--------------------|-----|---|----------------|
| Michael S. Egan | 71 | Chairman and Chief Executive Officer | 1997 |
| Edward A. Cespedes | 46 | President, Treasurer and Chief Financial Officer and Director | 1997 |
| Robin S. Lebowitz | 47 | Vice President of Finance and Director | 2001 |

Our current directors were initially chosen based upon their individual skills, experiences and qualifications which collectively provide a balanced level of expertise to the Company. Additionally, we believe that each of our directors possess high professional and personal ethics and values, which are attributes that are important characteristics to the Company.

Michael S. Egan. Michael Egan has served as theglobe's Chairman since 1997 and as its Chief Executive Officer since June 1, 2002. Since 1996, Mr. Egan has been the controlling investor of Dancing Bear Investments, Inc., a privately held investment company. Additionally, Mr. Egan is the controlling investor of E&C Capital Partners LLLP and E&C Capital Partners II, LLLP, privately held investment partnerships, and License Holdings, LLC, Labigroup Holdings, LLC, The Registry Management Company, LLC and Tralliance Registry Management, LLC, entities that are involved in the Internet domain name registration business. Mr. Egan is also Chairman of Certified Vacations, a privately held travel and tourism company which was founded in 1980. Mr. Egan spent over 30 years in the rental car business. He began with Alamo Rent-A-Car in 1973, became an owner in 1979, and became Chairman and majority owner from January 1986 until November 1996 when he sold the company to AutoNation, Inc. In 2000, AutoNation, Inc. spun off

the rental division, ANC Rental Corporation (Other OTC: ANCXZ.PK), and Mr. Egan served as Chairman until October 2003. Prior to acquiring Alamo, he held various administration positions at Yale University and taught at the University of Massachusetts at Amherst. Mr. Egan is a graduate of Cornell University where he received his Bachelor's degree in Hotel Administration. Mr. Egan was elected to be our Chairman based mainly upon his broad experience at the policy-making level and in managing both large and small businesses over the past thirty years.

Edward A. Cespedes. Edward Cespedes has served as a director of theglobe since 1997, as President of theglobe since June 1, 2002 and as Treasurer and Chief Financial Officer of theglobe since February 1, 2005. Mr. Cespedes is also the President of E&C Capital Ventures, Inc., the general partner of E&C Capital Partners LLLP and an executive officer and director of Search.Travel, LLC, Labigroup Holdings, LLC, The Registry Management Company, LLC and Tralliance Registry Management Company, LLC. Additionally, since 2011, Mr. Cespedes has served as the President and a director of MMAX Media Holdings, Inc., a location-based marketing company. Mr. Cespedes served as the Vice Chairman of Prime Ventures, LLC, from May 2000 to February 2002. From August 2000 to August 2001, Mr. Cespedes served as the President of the Dr. Koop Lifecare Corporation and was a member of the Company's Board of Directors from January 2001 to December 2001. From 1996 to 2000, Mr. Cespedes was a Managing Director of Dancing Bear Investments, Inc. Concurrent with his position at Dancing Bear Investments, Inc., from 1998 to 2000, Mr. Cespedes also served as Vice President for corporate development for theglobe where he had primary responsibility for all mergers, acquisitions, and capital markets activities. In 1996, prior to joining Dancing Bear Investments, Inc., Mr. Cespedes was the Director of Corporate Finance for Alamo Rent-A-Car. From 1988 to 1996, Mr. Cespedes worked in the Investment Banking Division of J.P. Morgan and Company, where he most recently focused on mergers and acquisitions. In his capacity as a venture capitalist, Mr. Cespedes has served as a member of the board of directors of various portfolio companies. Mr. Cespedes is the founder of the Columbia University Hamilton Associates, a foundation for university academic endowments. In 1988 Mr. Cespedes received a Bachelor's degree in International Relations from Columbia University. Mr. Cespedes was elected a director of the Company based mainly upon his understanding of capital markets and mergers and acquisitions, and his ability to manage business operations and technologies.

Robin S. Lebowitz. Robin Lebowitz has served as a director of theglobe since December 2001, as Secretary of theglobe since June 1, 2002, and as Vice President of Finance of theglobe since February 23, 2004. Ms. Lebowitz also served as Treasurer of theglobe from June 1, 2002 until February 23, 2004 and as Chief Financial Officer of theglobe from July 1, 2002 until February 23, 2004. Ms. Lebowitz has worked in various capacities for the Company's Chairman, Michael Egan, for seventeen years. She is the Controller/Managing Director of Dancing Bear Investments, Inc., Mr. Egan's privately held investment management and holding company, and is an executive officer of Search.Travel, LLC, Labigroup Holdings, LLC, The Registry Management Company, LLC and Tralliance Registry Management Company, LLC. Previously, Ms. Lebowitz served on the Board of Directors of theglobe from August 1997 to October 1998. At Alamo Rent-A-Car, she served as Financial Assistant to the Chairman (Mr. Egan). Prior to joining Alamo, Ms. Lebowitz was the Corporate Tax Manager at Blockbuster Entertainment Group where she worked from 1991 to 1994. From 1986 to 1989, Ms. Lebowitz worked in the audit and tax departments of Arthur Andersen & Co. Ms. Lebowitz received a Bachelor of Science in Economics from the Wharton School of the University of Pennsylvania; a Masters in Business Administration from the University of Miami and is a Certified Public Accountant. Ms. Lebowitz was elected a director of our Company based mainly upon her solid understanding of finance, accounting and taxation, and her ability to manage diverse finance functions.

COMPLIANCE WITH SECTION 16(A) OF THE EXCHANGE ACT

Section 16(a) of the Securities and Exchange Act of 1934 requires our officers and directors, and persons who own more than ten percent (10%) of a registered class of our equity securities, to file certain reports regarding ownership of, and transactions in, our securities with the SEC and with The NASDAQ Stock Market, Inc. Such officers, directors, and 10% stockholders are also required to furnish theglobe with copies of all Section 16(a) forms that they file.

Based solely on our review of copies of Forms 3 and 4 and any amendments furnished to us pursuant to Rule 16a-3(e) and any written representations referred to in Item 405(b)(2)(i) of Regulation S-K stating that no Forms 5 were required, we believe that, during the 2011 fiscal year, our officers, directors and all persons owning more than 10% of a registered class of our equity securities have complied with all Section 16(a) applicable filing requirements.

CODE OF ETHICS

The Company has adopted a Code of Ethics applicable to its officers, including its principal executive officer, principal financial officer, principal accounting officer or controller and any other persons performing similar functions. The Code of Ethics will be provided free of charge by the Company to interested parties upon request. Requests should be made in writing and directed to the Company at the following address: 1500 Cordova Road, Suite 302, Fort Lauderdale, Florida 33316.

BOARD MEETINGS AND COMMITTEES OF THE BOARD

Including unanimous written actions of the Board, the Board of Directors met 5 times in 2011. No incumbent director who was on the Board for the entire year attended less than 75% of the total number of all meetings of the Board and any committees of the Board on which he or she served, if any, during 2011.

The Board of Directors has a standing Audit and Compensation Committee but no standing Nominating Committee.

Audit Committee. The Audit Committee, which was formed in July 1998, reviews, acts on and reports to the Board of Directors with respect to various auditing and accounting matters, including the selection of our independent auditors, the scope of the annual audits, fees to be paid to the auditors, the performance of our auditors and our accounting practices and internal controls. The Audit Committee operates pursuant to a written charter, as amended, adopted by the Board of Directors on June 12, 2000. The current members of the Audit Committee are Messrs. Egan and Cespedes and Ms. Lebowitz, all of whom are employee directors. None of the current committee members are considered “independent” within the meaning of applicable NASD rules. Ms. Lebowitz serves as the “audit committee financial expert” within the meaning of applicable SEC rules, but is not considered “independent” within the meaning of applicable NASD rules. Including unanimous written actions of the Committee, the Audit Committee held 5 meetings in 2011.

Compensation Committee. The Compensation Committee establishes salaries, incentives and other forms of compensation for officers and other employees of theglobe. Inasmuch as the Company currently has no operations and its executive officers do not receive a salary, the Compensation Committee did not meet in 2011. The Compensation Committee (as well as the entire Board of Directors) also approves option grants under all of our outstanding stock based incentive plans. The current members of the Compensation Committee are Messrs. Egan and Cespedes.

Nominating Committee. The Board of Directors does not have a separate nominating committee. Rather, the entire Board of Directors acts as nominating committee. Based on the Company’s Board currently consisting only of employee directors, the Board of Directors does not believe the Company would derive any significant benefit from a separate nominating committee. Due primarily to their status as employees of the Company, none of the members of the Board are “independent” as defined in the NASD listing standards. The Company does not have a Nominating Committee charter.

In recommending director candidates in the future (including director candidates recommended by stockholders), the Board intends to take into consideration such factors as it deems appropriate based on the Company’s current needs. These factors may include diversity, age, skills, decision-making ability, inter-personal skills, experience with businesses and other organizations of comparable size, community activities and relationships, and the interrelationship between the candidate’s experience and business background, and other Board members’ experience and business background, whether such candidate would be considered “independent”, as such term is defined in the

NASD listing standards, as well as the candidate's ability to devote the required time and effort to serve on the Board.

The Board will consider for nomination by the Board director candidates recommended by stockholders if the stockholders comply with the following requirements. Under our By-Laws, if a stockholder wishes to nominate a director at the Annual Meeting, we must receive the stockholder's written notice not less than 60 days nor more than 90 days prior to the date of the annual meeting, unless we give our stockholders less than 70 days' notice of the date of our Annual Meeting. If we provide less than 70 days' notice, then we must receive the stockholder's written notice by the close of business on the 10th day after we provide notice of the date of the Annual Meeting. The notice must contain the specific information required in our By-Laws. A copy of our By-Laws may be obtained by writing to the Corporate Secretary. If we receive a stockholder's proposal within the time periods required under our By-Laws, we may choose, but are not required, to include it in our proxy statement. If we do, we may tell the other stockholders what we think of the proposal, and how we intend to use our discretionary authority to vote on the proposal. All proposals should be made in writing and sent via registered, certified or express mail, to our executive offices, 1500 Cordova Road, Suite 302, Fort Lauderdale, Florida 33316, Attention: Robin S. Lebowitz, Corporate Secretary.

Shareholder Communications with the Board of Directors. Any shareholder who wishes to send communications to the Board of Directors should mail them addressed to the intended recipient by name or position in care of: Corporate Secretary, theglobe.com, inc., 1500 Cordova Road, Suite 302, Fort Lauderdale, Florida 33316. Upon receipt of any such communications, the Corporate Secretary will determine the identity of the intended recipient and whether the communication is an appropriate shareholder communication. The Corporate Secretary will send all appropriate shareholder communications to the intended recipient. An "appropriate shareholder communication" is a communication from a person claiming to be a shareholder in the communication, the subject of which relates solely to the sender's interest as a shareholder and not to any other personal or business interest.

In the case of communications addressed to the Board of Directors, the Corporate Secretary will send appropriate shareholder communications to the Chairman of the Board. In the case of communications addressed to any particular directors, the Corporate Secretary will send appropriate shareholder communications to such director. In the case of communications addressed to a committee of the Board, the Corporate Secretary will send appropriate shareholder communications to the Chairman of such committee.

ATTENDANCE AT ANNUAL MEETINGS

The Board of Directors encourages, but does not require, its directors to attend the Company's annual meeting of stockholders. The Company did not hold an annual meeting last year.

ITEM 11. EXECUTIVE COMPENSATION

OVERVIEW

On September 29, 2008 the Company sold its last remaining operating business, Tralliance. Commensurate with the sale of its Tralliance business on September 29, 2008, the Company also entered into Termination Agreements with each of its Named Executive Officers (each a "Termination Agreement"). Pursuant to the Termination Agreements, the Company's employment agreements with each of Michael S. Egan, Edward A. Cespedes and Robin S. Lebowitz, the Company's Chief Executive Officer, President and Vice President of Finance, all dated August 1, 2003, respectively, were terminated. Notwithstanding the termination of these employment agreements, each of Messrs Egan and Cespedes and Ms. Lebowitz remain in their previous positions as officers and directors of the Company, however they now receive no compensation from the Company. Additionally, on September 29, 2008 the Company entered into a Master Services Agreement with Dancing Bear Investments, Inc., an entity controlled by our Chairman Michael S. Egan, to provide management resources and other services to the Company.

SUMMARY COMPENSATION TABLE

The following table sets forth information concerning compensation for services in all capacities awarded to, earned by or paid by us to those persons serving as the principal executive officer and principal financial officer at any time during the last calendar year and our other executive officer for the years ended December 31, 2011 and 2010 (collectively, the "Named Executive Officers"):

| Name and Principal Position | Year | Salary | Bonus | Option Awards | All Other | Total |
|--|------|--------|-------|------------------|-----------|-------|
| Michael S. Egan, Chairman, Chief Executive Officer (1) | 2011 | \$— | \$— | \$— | \$— | \$— |
| | 2010 | — | — | — | — | — |
| Edward A. Cespedes, President, Treasurer and Chief Financial Officer (2) | 2011 | \$— | \$— | \$— | \$— | \$— |
| | 2010 | — | — | — | — | — |
| Robin S. Lebowitz, Former Chief Financial Officer; Vice President of Finance (3) | 2011 | \$— | \$— | \$— | \$— | \$— |
| | 2010 | — | — | — | — | — |

(1) Mr. Egan became an executive officer in July 1998.

(2) Mr. Cespedes became President in June 2002 and Treasurer and Chief Financial Officer in February 2005.

(3) Ms. Lebowitz became an officer of the Company in June 2002 and Chief Financial Officer in July 2002. In February 2004, Ms. Lebowitz resigned her position as Chief Financial Officer and became Vice President of Finance.

The Company does not currently have any employment agreements with any of the Named Executive Officers.

OUTSTANDING EQUITY AWARDS AT FISCAL 2011 YEAR-END

| Name | Number of Securities | | Option Exercise Price (\$) | Option Expiration Date |
|--------------------|----------------------------|-------------------|----------------------------|------------------------|
| | Underlying Exercisable (#) | Unexercisable (#) | | |
| Michael S. Egan | 7,500 | — | .04 | 6/21/2012 |
| | 2,500,000 | — | .02 | 8/13/2012 |
| | 1,000,000 | — | .56 | 5/22/2013 |
| | 1,750,000 | — | .12 | 4/7/2015 |
| Edward A. Cespedes | 7,500 | — | .04 | 6/21/2012 |
| | 1,750,000 | — | .02 | 8/13/2012 |
| | 550,000 | — | .56 | 5/22/2013 |
| | 1,750,000 | — | .12 | 4/7/2015 |
| Robin S. Lebowitz | 7,500 | — | 0.04 | 6/21/2012 |
| | 500,000 | — | 0.02 | 8/13/2012 |
| | 100,000 | — | 0.56 | 5/22/2013 |
| | 400,000 | — | 0.12 | 4/7/2015 |
| | 100,000 | — | 0.14 | 8/16/2016 |

(1) All stock option awards included in the above table are fully vested. None of the Named Executive Officers exercised any stock options during the year ended December 31, 2011.

COMPENSATION OF DIRECTORS

Directors who are also our employees receive no compensation for serving on our Board or committees. We reimburse non-employee directors for all travel and other expenses incurred in connection with attending Board and committee meetings. Non-employee directors are also eligible to receive automatic stock option grants under our 1998 Stock Option Plan, as amended and restated. As of December 31, 2011 there were no directors who met this definition.

Each director who becomes an eligible non-employee director for the first time receives an initial grant of options to acquire 25,000 shares of our Common Stock. In addition, each eligible non-employee director will receive an annual grant of options to acquire 7,500 shares of our Common Stock on the first business day following each annual meeting of stockholders that occurs while the 1998 Stock Option Plan or 2000 Stock Option Plan is in effect. These stock options will be granted with per share exercise prices equal to the fair market value of our common stock as of the date of grant.

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

The following table sets forth certain information regarding beneficial ownership of our Common Stock as of March 7, 2012 (except as otherwise indicated) by (i) each person who owns beneficially more than 5% of our Common Stock, (ii) each of our directors, (iii) each of our "Named Executive Officers" and (iv) all directors and executive officers as a group. A total of 441,484,838 shares of theglobe's Common Stock were issued and outstanding on March 7, 2012.

The amounts and percentage of common stock beneficially owned are reported on the basis of regulations of the Securities and Exchange Commission ("SEC") governing the determination of beneficial ownership of securities. Under the rules of the SEC, a person is deemed to be a "beneficial owner" of a security if that person has or shares "voting power," which includes the power to vote or to direct the voting of such security, or "investment power," which includes the power to dispose of or to direct the disposition of such security. A person is also deemed to be a beneficial owner of any securities of which that person has a right to acquire beneficial ownership within 60 days. Under these rules, more than one person may be deemed a beneficial owner of the same securities and a person may be deemed to be a beneficial owner of securities as to which such person has no economic interest. Unless otherwise indicated below, the address of each person named in the table below is in care of theglobe.com, inc., P.O. Box 029006, Fort Lauderdale, Florida 33302.

| DIRECTORS, NAMED EXECUTIVE OFFICERS AND 5% STOCKHOLDERS | SHARES BENEFICIALLY OWNED | | |
|---|---------------------------|---------|----------------------|
| | NUMBER | PERCENT | TITLE OF CLASS |
| Dancing Bear Investments, Inc. (1) | 48,303,148 | 10.9 | % Common |
| Michael S. Egan (1)(2)(5)(6)(7) | 340,157,452 | 76.1 | % Common |
| Edward A. Cespedes (3) | 4,057,500 | * | Common |
| Robin S. Lebowitz (4) | 1,107,500 | * | Common |
| E&C Capital Partners, LLLP (5) | 38,469,012 | 8.7 | % Common |
| E&C Capital Partners II, LLLP(6) | 6,000,000 | 1.4 | % Common |
| The Registry Management Company, LLC (7) | 229,000,000 | 51.9 | % Common |
| All directors and executive officers as a group (3 persons) | 345,322,452 | 76.4 | % Common |

* less than 1%

(1) Mr. Egan owns Dancing Bear Investments, Inc.

(2) Includes the shares that Mr. Egan is deemed to beneficially own as the controlling investor of Dancing Bear Investments, Inc., E&C Capital Partners, LLLP, E&C Capital Partners II, LLLP and The Registry Management Company, LLC and as the Trustee of the Michael S. Egan Grantor Retained Annuity Trusts for the benefit of his children. Also includes (i) 5,257,500 shares of our Common Stock issuable upon exercise of options that are currently exercisable; and (ii) 3,541,337 shares of our Common Stock held by Mr. Egan's wife, as to which he disclaims

beneficial ownership.

(3) Consists of 4,057,500 shares of our Common Stock issuable upon exercise of options that are currently exercisable.

(4) Consists of 1,107,500 shares of our Common Stock issuable upon exercise of options that are currently exercisable.

(5) E&C Capital Partners, LLLP is a privately held investment vehicle controlled by our Chairman, Michael S. Egan. Our President, Edward A. Cespedes, has a minority, non-controlling interest in E&C Capital Partners, LLLP.

(6) E&C Capital Partners II, LLLP is a privately held investment vehicle controlled by our Chairman, Michael S. Egan.

(7) The Registry Management Company, LLC is a privately held investment vehicle controlled by our Chairman, Michael S. Egan. Our President, Edward A. Cespedes and our Vice President of Finance, Robin S. Lebowitz, have minority, non-controlling interests in The Registry Management Company, LLC.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

Transactions with Related Persons

Certain directors of the Company also serve as officers and directors of and own controlling interests in Dancing Bear Investments, Inc., E&C Capital Partners LLLP, E&C Capital Partners II, LLLP, The Registry Management Company, LLC, Tralliance Registry Management Company, LLC, Certified Vacations Group, Inc., Labigroup Holdings, LLC and License Holdings, LLC. Dancing Bear Investments, Inc., E&C Capital Partners, LLLP and E&C Capital Partners II, LLLP are stockholders of the Company and are entities controlled by our Chairman.

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 Company LLC (“Tralliance Registry Management”) and (ii) issued 229,000,000 shares of its Common Stock (the “Shares”) to The Registry Management Company, LLC (“Registry Management”) (the “Purchase Transaction”). Tralliance Registry Management and Registry Management are entities directly or indirectly controlled by Michael S. Egan, our Chairman and Chief Executive Officer and principal stockholder, and each of our two remaining executive officers and Board members, Edward A. Cespedes, our President, and Robin Segaul Lebowitz, our Vice President of Finance, own a minority interest in Registry Management. After giving effect to the closing of the Purchase Transaction and the issuance of the Shares thereunder, Mr. Egan beneficially owns approximately 76% of the Company’s Common Stock at December 31, 2011.

In connection with the Purchase Transaction, the Company received (i) consideration totaling approximately \$6,409,800 and consisting of the surrender to theglobe and satisfaction of secured demand convertible promissory notes issued by theglobe and held by Registry Management in the aggregate principal amount of \$4,250,000, together with all accrued and unpaid interest of approximately \$1,290,300 through the date of closing of the Purchase Transaction and satisfaction of approximately \$869,500 in outstanding rent and miscellaneous fees due and unpaid to the Registry Management through the date of closing of the Purchase Transaction, and (ii) an earn-out 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 Agreement, and increases by \$25,000 in each subsequent year (pro-rated for the final year of the Earn-out). During 2011 and 2010, the Company received Earn-out installment payments totaling \$356,250 and \$331,250, respectively, from Tralliance Registry Management.

In connection with the closing of the Purchase Transaction, the Company also entered into a Master Services Agreement (“Services Agreement”) with Dancing Bear Investments, Inc. (“Dancing Bear”), an entity which is controlled by Mr. Egan. Under the terms of the Services Agreement, for a fee of \$20,000 per month (\$240,000 per annum), Dancing Bear provides 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. The Services Agreement had an initial term of one year and was renewed for additional one year terms during 2009, 2010 and 2011. The Services Agreement may be terminated under certain events. Services under the Services Agreement include, without limitation, accounting, assistance with financial reporting, accounts payable, treasury/financial planning, record retention and secretarial and investor relations functions. A total of \$181,250 and \$121,680 related to the Services Agreement was paid by the Company to Dancing Bear in 2011 and 2010, respectively. A balance of \$291,070 related to the Services Agreement is owed by the Company to Dancing Bear and is accrued on our Balance Sheet at December 31, 2011.

As more fully discussed in Note 5 “Debt” in our Notes to Consolidated Financial Statements, on June 6, 2008, the Company and its subsidiaries, as guarantors, entered into a Revolving Loan Agreement with Dancing Bear, pursuant to which Dancing Bear may loan up to \$500,000 to the Company on a revolving basis (the “Credit Line”). In connection with its entry into the Credit Line, the Company borrowed \$100,000 under the Credit Line. Subsequently, during the remainder of 2008, the Company made additional borrowings totaling \$400,000 under the Credit Line. As of December 31, 2011 and 2010, outstanding principal of \$500,000 and accrued interest of \$173,233 and \$123,233, respectively, related to the Credit Line have been reflected as current liabilities in our Consolidated Balance Sheet. Related Party Interest Expense related to the Credit Line of \$50,000 was recognized in our Consolidated Statement of Operations during both the years ended December 31, 2011 and 2010.

Director Independence. None of the current members of the Company’s Board of Directors are considered “independent” within the meaning of applicable NASD rules.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Audit Fees . The aggregate fees billed by Marcum LLP (“Marcum”), independent public accountants, for professional services rendered for the audit of our annual financial statements during 2011 and 2010 and the reviews of the financial statements included in our Forms 10-Q and 10-K, as appropriate, were \$36,485 and \$38,873, respectively.

Audit-Related Fees . During the last two fiscal years, Marcum provided the Company with the following services that are reasonably related to the performance of the audit of our financial statements:

None

Tax Fees . The aggregate fees billed for tax services provided by Marcum in connection with tax compliance, tax consulting and tax planning services during 2011 and 2010, were \$6,300 and \$11,312, respectively.

All Other Fees . Except as described above, the Company had no other fees for services provided by Marcum during 2011 and 2010.

Pre-Approval of Services by the External Auditor . In April 2004, the Audit Committee adopted a policy for pre-approval of audit and permitted non-audit services by the Company's external auditor. The Audit Committee will consider annually and, if appropriate, approve the provision of audit services by its external auditor and consider and, if appropriate, pre-approve the provision of certain defined audit and non-audit services. The Audit Committee will also consider on a case-by-case basis and, if appropriate, approve specific engagements that are not otherwise pre-approved. The Audit Committee pre-approved the audit engagements and tax services billed by the amounts described above.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

- (a). List of all documents filed as part of this report.
 - (1) Financial statements are listed in the index to the consolidated financial statements on page F-1 of this Report.
 - (2) No financial statement schedules are included because they are not applicable or are not required or the information required to be set forth therein is included in the consolidated financial statements or notes thereto.
 - (3) Exhibit Index
 - 3.1 Form of Fourth Amended and Restated Certificate of Incorporation of the Company (3).
 - 3.2 Certificate of Amendment to Fourth Amended and Restated Certificate of Incorporation (13).
 - 3.3 Certificate of Amendment to Fourth Amended and Restated Certificate of Incorporation filed with the Secretary of State of Delaware on July 29, 2003 (13).
 - 3.4 Certificate relating to Previously Outstanding Series of Preferred Stock and Relating to the Designation, Preferences and Rights of the Series F Preferred Stock (10).
 - 3.5 Certificate of Amendment Relating to the Designation Preferences and Rights of the Junior Participating Preferred Stock (11).
 - 3.6 Form of By-Laws of the Company (13).
 - 3.7 Certificate of Amendment Relating to the Designation Preferences and Rights of the Series H Automatically Converting Preferred Stock (12).
 - 3.8 Certificate of Amendment to Fourth Amended and Restated Certificate of Incorporation filed with the Secretary of State of Delaware on December 1, 2004 (15).
 - 4.1 Specimen certificate representing shares of Common Stock of the Company (4).
 - 4.2 Amended and Restated Warrant to Acquire Shares of Common Stock (2).
 - 4.3 Form of Rights Agreement, by and between the Company and American Stock Transfer & Trust Company as Rights Agent (3).
 - 4.4 Form of Warrant dated November 12, 2002 to acquire shares of Common Stock (7).
 - 4.5

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Form of Warrant dated May 28, 2003 to acquire an aggregate of 500,000 shares of theglobe.com Common Stock (8).

10.1 Form of Indemnification Agreement between the Company and each of its Directors and Executive Officers (1).

10.2 2000 Broad Based Stock Option Plan (6).**

10.3 1998 Stock Option Plan, as amended (5).**

10.4 1995 Stock Option Plan (1).**

10.5 Amended & Restated Non-Qualified Stock Option Agreement effective as of August 12, 2002 between theglobe.com, inc. and Michael S. Egan (9).**

10.6 Amended & Restated Non-Qualified Stock Option Agreement effective as of August 12, 2002 between theglobe.com, inc. and Edward A. Cespedes (9).**

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- 10.7 Amended & Restated Non-Qualified Stock Option Agreement effective as of August 12, 2002 between theglobe.com, inc. and Robin Segaul Lebowitz (9).**
- 10.8 2003 Amended and Restated Non-Qualified Stock Option Plan (16).**
- 10.9 theglobe.com 2004 Amended and Restated Stock Option Plan (14).
- 10.10 Revolving Loan Agreement dated as of June 6, 2008 by and between theglobe.com, inc. and Dancing Bear Investments, Inc. (17).
- 10.11 \$500,000 Promissory Note dated June 6, 2008 (17).
- 10.12 Unconditional Guaranty Agreement dated June 6, 2008 (17).
- 10.13 Security Agreement dated June 6, 2008 (17).
- 10.14 Purchase Agreement dated as of June 10, 2008 by and between theglobe.com, inc., Tralliance Corporation and The Registry Management Company, LLC (18).
- 10.15 Earn-out Agreement dated September 29, 2008 by and between theglobe.com. inc. and Tralliance Registry Management Company, LLC (19).
- 10.16 Management Services Agreement dated September 29, 2008 with Dancing Bear Investments, Inc. (19).
- 10.17 Termination Agreement dated September 29, 2008 with Michael S. Egan (19).
- 10.18 Termination Agreement dated September 29, 2008 with Edward A. Cespedes (19).
- 10.19 Termination Agreement dated September 29, 2008 with Robin Segaul-Lebowitz (19).
- 10.20 Note Modification Agreement dated as of May 7, 2009 between Dancing Bear Investments, Inc. and theglobe.com, inc. (20)
- 10.21 Extension and Amendment of Master Services Agreement between Dancing Bear Investments, Inc. and theglobe.com, inc. dated August 9, 2010 (21).
- 21. Subsidiaries
 - 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.

EXHIBIT INDEX

NO. ITEM

1. Incorporated by reference from our registration statement on Form S-1 filed July 24, 1998 (Registration No. 333-59751).

2. Incorporated by reference from our Form S-1/A filed August 20, 1998.

3. Incorporated by reference from our Form S-1/A filed September 15, 1998.

4. Incorporated by reference from our Form S-1/A filed October 14, 1998.

5. Incorporated by reference from our Form S-1 filed April 13, 1999.

6. Incorporated by reference from our Form 10-Q for the quarter ended March 31, 2000 dated May 15, 2000.
7. Incorporated by reference from our Form 8-K filed on November 26, 2002.
8. Incorporated by reference from our Form 8-K filed on June 6, 2003.
9. Incorporated by reference from our Form 10-QSB filed on November 14, 2003.
10. Incorporated by reference from our Form 10-K filed on March 31, 2003.
11. Incorporated by reference from our Registration Statement on Form SB-2 filed on April 16, 2004 (Registration No. 333-114556).
12. Incorporated by reference from our Form 8-K filed September 7, 2004.
13. Incorporated by reference from our Form SB-2 filed April 16, 2004.
14. Incorporated by reference from our S-8 filed October 13, 2004.
15. Incorporated by reference from our Form 8-K filed on December 2, 2004.
16. Incorporated by reference from our Form S-8 filed January 22, 2004.
17. Incorporated by reference from our Form 8-K filed on June 11, 2008.

18. Incorporated by reference from our Form 8-K filed on June 13, 2008.

19. Incorporated by reference from our Form 8-K filed on October 3, 2008.

20. Incorporated by reference from our Form 10-Q filed on May 8, 2009.

21. Incorporated by reference from our Form 10-Q for the quarter ended June 30, 2010 filed on August 10, 2010.

* Confidential portions of this exhibit have been omitted and filed separately with the Commission pursuant to a request for confidential treatment.

** Management contract or compensatory plan or arrangement.

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: March 28, 2012 By: */s/ Michael S. Egan*
Michael S. Egan
Chief Executive Officer

(Principal Executive Officer)

By: */s/ Edward A. Cespedes*
Edward A. Cespedes
President, Chief Financial Officer

(Principal Financial Officer)

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

/s/ Michael S. Egan *March 28, 2012*
Michael S. Egan
Chairman, Director

/s/ Edward A. Cespedes *March 28, 2012*
Edward A. Cespedes
Director

/s/ Robin Lebowitz *March 28, 2012*
Robin Lebowitz
Director

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- 4.6 Warrant to Acquire 5,000,000 shares of theglobe.com, inc. dated as of November 22, 2006 to Carl Ruderman (17).*
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